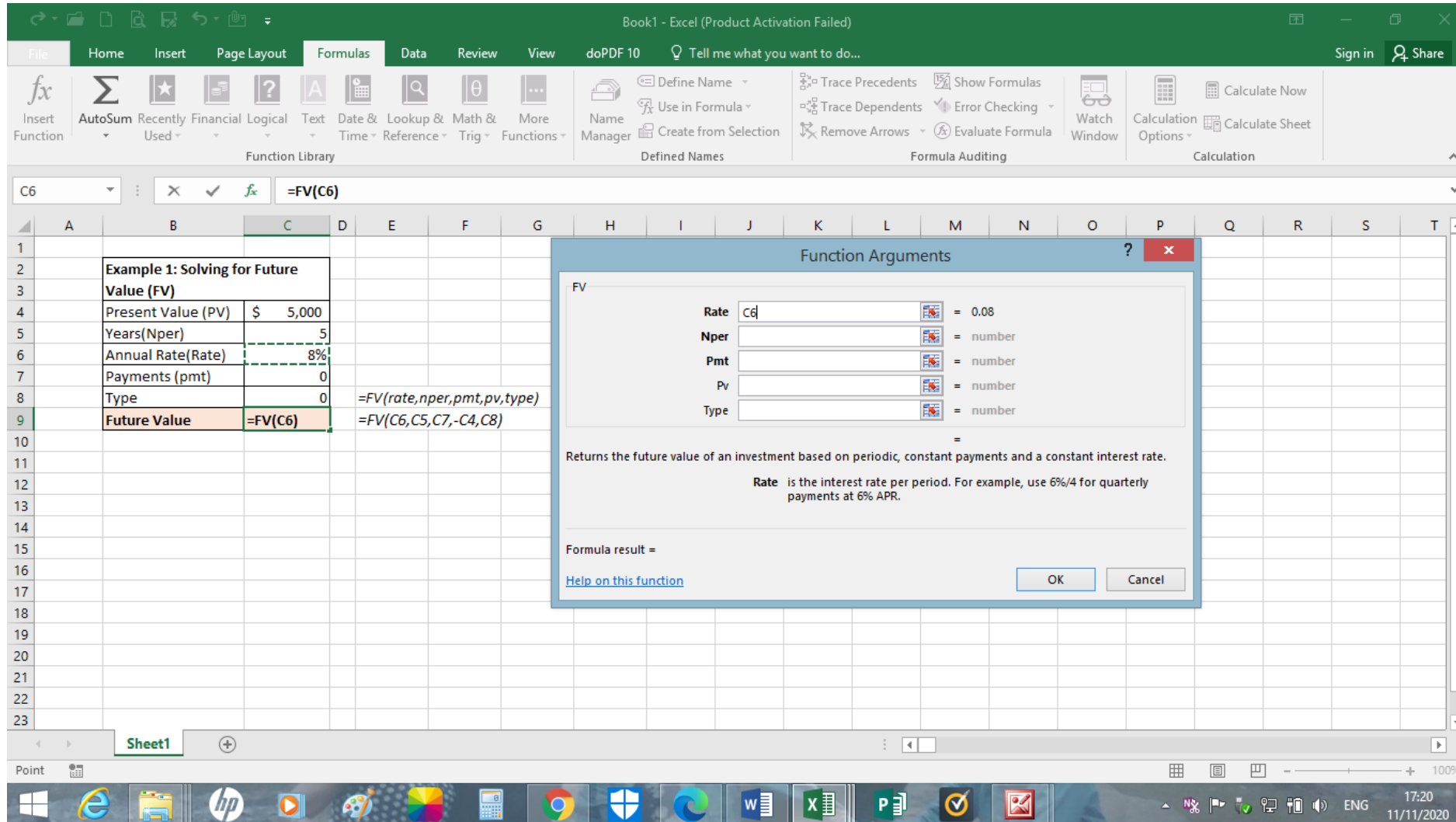


Future Value Steps using Excel Finance Formula



The screenshot displays the Microsoft Excel interface with the 'Formulas' tab selected. A 'Function Arguments' dialog box for the FV function is open, showing the following arguments:

- Rate: C6 (0.08)
- Nper: (empty) = number
- Pmt: (empty) = number
- Pv: (empty) = number
- Type: (empty) = number

The dialog box also includes a description: 'Returns the future value of an investment based on periodic, constant payments and a constant interest rate.' and a note: 'Rate is the interest rate per period. For example, use 6%/4 for quarterly payments at 6% APR.' The 'Formula result =' field is empty.

In the background, a table titled 'Example 1: Solving for Future Value (FV)' is visible in the worksheet:

	A	B	C	D	E	F	G
1							
2							
3							
4							
5							
6							
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22							
23							

The table contains the following data:

	A	B	C	D
4		Present Value (PV)	\$ 5,000	
5		Years(Nper)	5	
6		Annual Rate(Rate)	8%	
7		Payments (pmt)	0	
8		Type	0	
9		Future Value	=FV(C6)	

The formula bar shows the formula: `=FV(C6)`. The status bar at the bottom indicates 'Sheet1' and '100%' zoom.

STEP 1

STEP 2

[illegible]

STEP 3

Book1 - Excel (Product Activation Failed)

File Home Insert Page Layout Formulas Data Review View doPDF 10 Tell me what you want to do... Sign in Share

Function Library

Insert Function AutoSum Recently Used Financial Logical Text Date & Time Lookup & Reference Math & Trig More Functions

Defined Names Formula Auditing Calculation

Function Arguments

FV

Rate C6 = 0.08

Nper C5 = 5

Pmt C7 = 0

Pv = number

Type = number

Returns the future value of an investment based on periodic, constant payments and a constant interest rate.

Pmt is the payment made each period; it cannot change over the life of the investment.

Formula result = \$0.00

Help on this function OK Cancel

Example 1: Solving for Future Value (FV)

Present Value (PV)	\$ 5,000
Years(Nper)	5
Annual Rate(Rate)	8%
Payments (pmt)	0
Type	0
Future Value	C6,C5,C7

=FV(rate,nper,pmt,pv,type)

=FV(C6,C5,C7,-C4,C8)

Sheet1

Point

17:21 11/11/2020

STEP 4

The screenshot shows the Microsoft Excel interface with the 'Formulas' tab selected. The formula bar displays $=FV(C6,C5,C7,-C4)$. A 'Function Arguments' dialog box for the FV function is open, showing the following arguments:

Argument	Cell Reference	Value
Rate	C6	0.08
Nper	C5	5
Pmt	C7	0
Pv	-C4	-5000
Type		number

The dialog box also displays the formula result: $= 7346.640384$. Below the arguments, it states: 'Returns the future value of an investment based on periodic, constant payments and a constant interest rate.' It also includes a note: 'Pv is the present value, or the lump-sum amount that a series of future payments is worth now. If omitted, Pv = 0.'

In the background, a table titled 'Example 1: Solving for Future Value (FV)' is visible in the worksheet:

Present Value (PV)	\$	5,000
Years(Nper)		5
Annual Rate(Rate)		8%
Payments (pmt)		0
Type		0
Future Value		$=FV(C6,C5,C7,-C4)$

The status bar at the bottom shows 'Sheet1' and the date '11/11/2020'.

STEP 5

Book1 - Excel (Product Activation Failed)

File Home Insert Page Layout Formulas Data Review View doPDF 10 Tell me what you want to do... Sign in Share

Function Library: Insert Function, AutoSum, Recently Used, Financial, Logical, Text, Date & Time, Lookup & Reference, Math & Trig, More Functions

Defined Names: Name Manager, Define Name, Use in Formula, Create from Selection

Formula Auditing: Trace Precedents, Trace Dependents, Remove Arrows, Show Formulas, Error Checking, Evaluate Formula

Calculation: Watch Window, Calculation Options, Calculate Now, Calculate Sheet

Formula Bar: C8, =FV(C6,C5,C7,-C4,C8)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
1																				
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Example 1: Solving for Future Value (FV)

Present Value (PV)	\$	5,000
Years(Nper)		5
Annual Rate(Rate)		8%
Payments (pmt)		0
Type		0
Future Value		=FV(C6,C5,C7,-C4,C8)

Function Arguments

FV

Rate: C6 = 0.08

Nper: C5 = 5

Pmt: C7 = 0

Pv: -C4 = -5000

Type: C8 = 0

= 7346.640384

Returns the future value of an investment based on periodic, constant payments and a constant interest rate.

Type is a value representing the timing of payment: payment at the beginning of the period = 1; payment at the end of the period = 0 or omitted.

Formula result = \$7,346.64

[Help on this function](#)

OK Cancel

Sheet1

Point

100%

17:21 11/11/2020

STEP 6

